

# 2011 Property Tax Report

## Orange County

### with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Orange County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

#### Comparable Homestead Property Tax Changes in Orange County

The average homeowner saw a 1.1% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 24.7% lower than they were in 2007, before the property tax reforms.

89.5% of homeowners saw lower tax bills in 2011 than in 2007.

59.6% of homeowners saw tax increases of between 1% and 9% from 2010 to 2011.

The largest percentage of homeowners have seen between a 20% and 39% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	3,131	67.5%	419	9.0%
No Change	301	6.5%	68	1.5%
Lower Tax Bill	1,205	26.0%	4,150	89.5%
<b>Average Change in Tax Bill</b>	<b>1.1%</b>		<b>-24.7%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	161	3.5%	219	4.7%
10% to 19%	207	4.5%	61	1.3%
1% to 9%	2,763	59.6%	139	3.0%
0%	301	6.5%	68	1.5%
-1% to -9%	677	14.6%	347	7.5%
-10% to -19%	422	9.1%	547	11.8%
-20% to -29%	23	0.5%	858	18.5%
-30% to -39%	18	0.4%	937	20.2%
-40% to -49%	14	0.3%	591	12.7%
-50% to -59%	9	0.2%	217	4.7%
-60% to -69%	6	0.1%	130	2.8%
-70% to -79%	8	0.2%	104	2.2%
-80% to -89%	4	0.1%	104	2.2%
-90% to -99%	5	0.1%	88	1.9%
-100%	19	0.4%	227	4.9%
<b>Total</b>	<b>4,637</b>	<b>100.0%</b>	<b>4,637</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

★★★★★  
 LOSS OF STATE HOMESTEAD  
 CREDIT WAS OFFSET BY TAX  
 RATE DECREASES, SO  
 HOMEOWNER TAX BILLS  
 INCREASED MODESTLY  
 ★★★★★

#### Homestead Property Taxes

Homestead property taxes increased 1.1% on average in Orange County in 2011. This was less than the state average of 4.4%. Orange County homestead taxes were 24.7% lower in 2011 than they were in 2007, before the big tax reform. The smaller-than-average homestead tax increase in 2011 was mainly due to a drop in property tax rates in Orange County in 2011. These rate decreases nearly offset the effects of the phaseout of the state homestead credit in 2011. The state homestead credit was 4.1% in Orange County in 2010.

#### Tax Rates

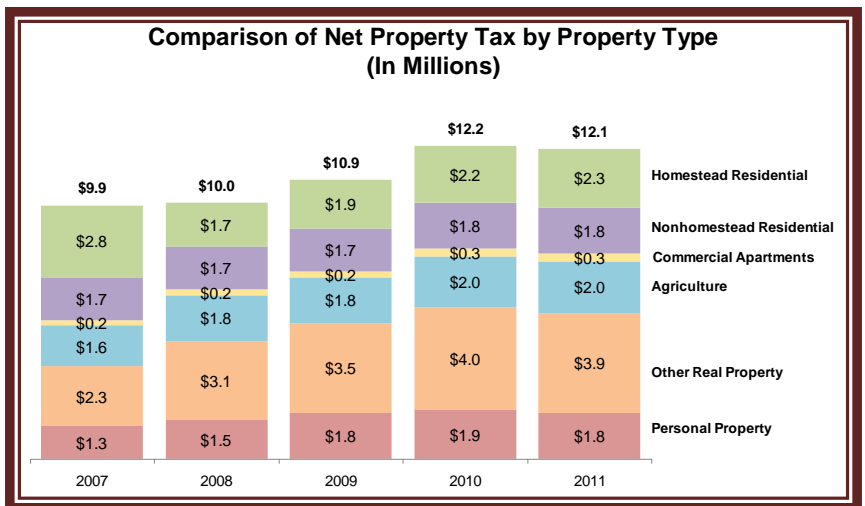
Property tax rates declined in almost all Orange County tax districts. The average tax rate declined by 4.5% because of an increase in net assessed value coupled with a reduction in the levy. Levies in Orange County were reduced by 1.0%. The biggest levy reductions were in the Orleans Community Schools capital projects fund and the Orleans Town general and highway funds. Orange County's total net assessed value increased 1.9% in 2011. (The certified net AV used to compute tax rates rose by 3.7%.) Homestead and agricultural net assessments increased by 2.4% and 3.3%, respectively. Other residential assessments showed an increase of 1.6%, while business net assessments grew by 1.1%.

★★★★★★  
**REDUCTIONS IN TAX BILLS FOR ALL**  
**CATEGORIES OF NONHOMESTEAD**  
**PROPERTY**  
 ★★★★★★

**Net Tax Bill Changes - All Property Types**

Net tax bills for all taxpayers fell 1.8% in Orange County in 2011, lower than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills decrease by 2.1%. Tax bills for commercial apartments fell 5.0%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - were down by 3.4%.

Tax reductions were due to lower tax rates in Orange in 2011. Agricultural taxes fell only 1%, because of the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



**Tax Cap Credits**

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

★★★★★★  
**TAX CAP CREDITS DECREASED IN**  
**2011, REMAINING VERY SMALL**  
 ★★★★★★

Total tax cap credit losses in Orange County were \$22,895, or 0.2% of the levy. This was less than the state average loss rate of 9.2% and less than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Orange County's tax rates were much less than the state median.

More than half of the total tax cap credits were in the elderly category, which holds homestead taxes for low income taxpayers 65 and over to a maximum of 2%. Orange County had no district tax rates above \$3 per \$100 assessed value, so no business property in the 3% tax cap category qualified for credits. The largest percentage losses were in the town of West Baden, in the only taxing district in the county with a rate above \$2. The largest dollar losses were in the Springs Valley and Paoli School Corporations and the county unit.

Orange County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$8,350	\$13,685	\$0	\$10,649	\$32,685	0.3%
2011 Tax Cap Credits	6,417	3,057	0	13,421	22,895	0.2%
<b>Change</b>	<b>-\$1,933</b>	<b>-\$10,629</b>	<b>\$0</b>	<b>\$2,772</b>	<b>-\$9,789</b>	<b>-0.1%</b>

Tax cap credits decreased in Orange County in 2011 by \$9,789, or 30%. The reduction in credits

represents a gain of 0.1% of the total tax levy. Most of the decrease in tax cap credits was in the 2% tax cap category. The tax rate in the Orleans Town taxing district dropped below \$2 in 2011, eliminating most of the property in the 2% category from eligibility for credits.

**The Effect of Recession**

The 2009 recession had little effect on Orange County assessments for pay-2011. Property values and construction activity appear to have increased in Orange County in 2009.

★★★★★★  
**2009 RECESSION HAD LITTLE EFFECT**  
**ON ASSESSMENTS IN 2011**  
 ★★★★★★

Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$467,834,903	\$479,528,110	2.5%	\$173,969,592	\$178,195,518	2.4%
Other Residential	104,122,700	105,859,100	1.7%	103,344,396	105,010,826	1.6%
Ag Business/Land	145,574,600	150,396,370	3.3%	145,002,052	149,829,722	3.3%
Business Real/Personal	405,044,811	414,579,390	2.4%	318,685,331	322,308,605	1.1%
<b>Total</b>	<b>\$1,122,577,014</b>	<b>\$1,150,362,970</b>	<b>2.5%</b>	<b>\$741,001,371</b>	<b>\$755,344,671</b>	<b>1.9%</b>

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

### Orange County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
<i>County Total</i>	13,438,174	13,756,612	9,902,610	10,809,164	10,703,591	2.4%	-28.0%	9.2%	-1.0%
State Unit	15,219	16,917	0	0	0	11.2%	-100.0%		
Orange County	2,192,142	2,274,727	2,181,612	2,212,172	2,327,291	3.8%	-4.1%	1.4%	5.2%
French Lick Township	24,150	24,925	26,608	26,862	27,013	3.2%	6.8%	1.0%	0.6%
Greenfield Township	10,690	11,101	11,621	12,132	12,325	3.8%	4.7%	4.4%	1.6%
Jackson Township	9,625	9,965	10,354	10,932	11,189	3.5%	3.9%	5.6%	2.4%
Northeast Township	3,452	9,605	10,226	10,581	10,788	178.2%	6.5%	3.5%	2.0%
Northwest Township	10,485	11,043	7,628	9,772	9,986	5.3%	-30.9%	28.1%	2.2%
Orangeville Township	6,241	6,755	6,973	7,400	7,363	8.2%	3.2%	6.1%	-0.5%
Orleans Township	6,390	6,445	6,047	7,343	2,819	0.9%	-6.2%	21.4%	-61.6%
Paoli Township	40,682	41,249	42,955	45,888	46,600	1.4%	4.1%	6.8%	1.6%
Southeast Township	7,108	7,525	7,817	8,330	8,603	5.9%	3.9%	6.6%	3.3%
Stamperscreek Township	4,420	9,111	9,797	10,106	10,287	106.1%	7.5%	3.2%	1.8%
French Lick Civil Town	449,028	457,810	519,157	577,109	548,315	2.0%	13.4%	11.2%	-5.0%
Orleans Civil Town	290,040	324,199	348,271	588,958	481,241	11.8%	7.4%	69.1%	-18.3%
Paoli Civil Town	412,465	417,316	421,164	454,741	465,227	1.2%	0.9%	8.0%	2.3%
West Baden Civil Town	194,459	173,931	214,040	213,956	211,342	-10.6%	23.1%	0.0%	-1.2%
Orleans Community School Corp	2,303,338	2,467,664	1,447,567	1,596,209	1,461,341	7.1%	-41.3%	10.3%	-8.4%
Paoli Community School Corp	3,500,507	3,499,205	1,561,249	2,156,428	2,098,073	0.0%	-55.4%	38.1%	-2.7%
Springs Valley Community School Corp	3,208,268	3,247,217	2,093,560	1,931,580	1,958,710	1.2%	-35.5%	-7.7%	1.4%
Orleans Public Library	45,287	49,466	59,761	61,106	64,137	9.2%	20.8%	2.3%	5.0%
Paoli Public Library	54,980	56,833	230,265	155,223	191,884	3.4%	305.2%	-32.6%	23.6%
French Lick-Melton Public Library	250,568	206,860	224,405	235,083	241,300	-17.4%	8.5%	4.8%	2.6%
Orange County Fire Protection Dist	190,640	215,272	212,169	222,156	228,041	12.9%	-1.4%	4.7%	2.6%
Orange County Solid Waste Mgt Dist	207,990	211,471	249,364	255,097	279,716	1.7%	17.9%	2.3%	9.7%

### Orange County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
59001	French Lick Township	1.4015	--	--	--	--	--	--	1.4015
59002	French Lick Town	1.9341	--	--	--	--	--	--	1.9341
59003	West Baden Town	2.0975	--	--	--	--	--	--	2.0975
59004	Greenfield Township	1.2975	--	--	--	--	--	--	1.2975
59005	Jackson Township	1.3615	--	--	--	--	--	--	1.3615
59006	Northeast Township	1.2175	--	--	--	--	--	--	1.2175
59007	Northwest Township	1.4035	--	--	--	--	--	--	1.4035
59008	Orangeville Township	1.2198	--	--	--	--	--	--	1.2198
59009	Orleans Township	1.2325	--	--	--	--	--	--	1.2325
59010	Orleans Town	1.7567	--	--	--	--	--	--	1.7567
59011	Paoli Township	1.3849	--	--	--	--	--	--	1.3849
59012	Paoli Town	1.8158	--	--	--	--	--	--	1.8158
59013	Southeast Township	1.2695	--	--	--	--	--	--	1.2695
59014	Stamperscreek Township	1.2823	--	--	--	--	--	--	1.2823

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

### Orange County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	6,417	3,057	0	13,421	22,895	10,703,591	0.2%
<i>TIF Total</i>	0	0	0	0	0	1,216,315	0.0%
<i>County Total</i>	6,417	3,057	0	13,421	22,895	11,919,906	0.2%
Orange County	1,268	492	0	2,814	4,573	2,327,291	0.2%
French Lick Township	19	21	0	40	79	27,013	0.3%
Greenfield Township	2	0	0	29	31	12,325	0.3%
Jackson Township	48	0	0	18	65	11,189	0.6%
Northeast Township	3	0	0	2	6	10,788	0.1%
Northwest Township	7	0	0	5	12	9,986	0.1%
Orangeville Township	0	0	0	0	0	7,363	0.0%
Orleans Township	0	0	0	2	2	2,819	0.1%
Paoli Township	22	0	0	72	94	46,600	0.2%
Southeast Township	2	0	0	13	15	8,603	0.2%
Stamperscreek Township	0	0	0	5	5	10,287	0.1%
French Lick Civil Town	31	0	0	595	625	548,315	0.1%
Orleans Civil Town	0	0	0	506	506	481,241	0.1%
Paoli Civil Town	392	0	0	824	1,216	465,227	0.3%
West Baden Civil Town	961	1,099	0	461	2,521	211,342	1.2%
Orleans Community School Corp	77	0	0	808	886	1,461,341	0.1%
Paoli Community School Corp	774	0	0	3,148	3,922	2,098,073	0.2%
Springs Valley Community School Corp	2,251	1,218	0	2,807	6,276	1,958,710	0.3%
Orleans Public Library	0	0	0	45	45	64,137	0.1%
Paoli Public Library	92	0	0	296	388	191,884	0.2%
French Lick-Melton Public Library	222	167	0	351	739	241,300	0.3%
Orange County Fire Protection Dist	95	0	0	243	338	228,041	0.1%
Orange County Solid Waste Mgt Dist	152	59	0	338	550	279,716	0.2%
TIF - French Lick Town	0	0	0	0	0	1,094,277	0.0%
TIF - West Baden Town	0	0	0	0	0	122,038	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

#### Circuit Breaker Credit Types:

*Homesteads* are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

*Other Residential/Farmland* includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

*All Other Real/Personal* is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

*Elderly* includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.